



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # **033-2011**

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LETTER TO COMMISSION
CITY CLERK'S OFFICE

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: February 4, 2011

SUBJECT: ANALYSIS OF BUDGET TO PRELIMINARY ACTUAL REVENUES AND EXPENSES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2010, FOR GENERAL, ENTERPRISE, AND INTERNAL SERVICE FUNDS

The Purpose of this LTC is to provide the preliminary actual revenue and expenses for the Fiscal Year ending September 30, 2010.

Overall General Fund expenditures are \$3,157,793 below budget and there is an operating budget surplus of \$1,600,570 (0.7%) in the General Fund. A summary of preliminary General Fund Revenues and Expenditures as of September 30, 2010 is as follows:

| General Fund | Budget FY 2009/10 | Preliminary Actual FY 2009/10 | Budget/ Actual Over/ (Under) |
|---------------------------|----------------------|-------------------------------------|---------------------------------|
| Revenues* | \$ 226,336,026 | \$ 224,778,803 | \$ (1,557,223) |
| Expenditures | 226,336,026 | 223,178,233 | (3,157,793) |
| Surplus/ (Deficit) | \$ 0 | \$ 1,600,570 | \$ 1,600,570 |

Note: * Excludes \$1.95 million in Unrealized Losses on Investments

This surplus reflects the impact of on-going pro-active initiatives by the City to reduce expenses and is despite the fact that the City did not achieve much of the \$3.5 million in employee give backs budgeted for FY 2009/10, as the timing of negotiations will yield much of these savings in FY 2010/11 and future years. Had the full \$3.5 million been achieved the year-end surplus would have been closer to \$3.8 million.

However, the City's financials also reflect approximately \$1.95 million in "Unrealized Losses on Investments". Although this is a non-cash impact for FY 2009/10, it will reflect on the financials as a loss for FY 2009/10, if not addressed, potentially creating concerns with credit rating agencies, etc. Therefore, I am recommending the transfer of an additional \$1.95 million from the 2% Resort Tax Fund which has revenues in excess of budget.

The City's financial policies require that **one time revenues (such as the year-end surplus) must be used for non-recurring expenses**, and that **at least half of the annual year-end surplus must be allocated to the City's Capital Reserve Fund**. However, the City's Capital Reserve was established at a time when project bids were often coming in significantly higher than budgeted. I am recommending that the Capital Reserve transfer requirement be waived for the FY 2009/10 year-end surplus, and that the General Fund budget be amended to reflect a \$1.6 million set aside reserve for possible use to address potential shortfalls in the FY 2011/12 budget. Since the "Unrealized Losses on Investments"

is a non-cash impact, and covering the losses will result in additional cash in the General Fund, I am also recommending amending the FY 2010/11 budget to set aside the \$1.95 million as a reserve for possible use to address potential shortfalls in the FY 2011/12 budget.

Amendments are needed for the Water, Sewer and Stormwater enterprise funds to allow the transfer of surplus revenues to rate stabilizations funds so that they can be available for future years as anticipated in the FY 2010/11 adopted budget, avoiding the need for fee increases. The Internal Service Fund Budgets of the Central Service and Information Technology Funds require an amendment of \$19,254 and \$589,901, respectively, offset by charges to departments, use of retained earnings for certain capital expenses and other revenues.

"Attachment A" provides additional detail of General Fund Revenues and Expenditures by revenue category and department expenditure, For a detail of Enterprise Fund Revenues and Expenses by department, see "Attachment B". For a detail of Internal Service Funds Revenues and Expenses by department, see "Attachment C".

The resolutions to adopt the first amendment to the General, Enterprise and Internal Service Funds Budgets for FY 2009/10 and the first amendment to the General Fund budget for FY 2010/11 will be presented at the February 9th, 2011 City Commission meeting.

JMG/KGB
Attachments A-C



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: February 9, 2011

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIRST AMENDMENT TO THE GENERAL, ENTERPRISE, INTERNAL SERVICE AND RESORT TAX FUNDS BUDGETS FOR FISCAL YEAR (FY) 2009/10 TO APPROPRIATE PRIOR YEAR ENCUMBRANCES AND AMEND CERTAIN BUDGETS**

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ADOPTING THE FIRST AMENDMENT TO THE GENERAL FUND BUDGET FOR FISCAL YEAR (FY) 2010/11 TO SET ASIDE A RESERVE FOR THE FY 2011/12 BUDGET

ADMINISTRATION RECOMMENDATION

Adopt the resolution amending the FY 2009/10 General Fund, Enterprise Funds, Internal Service Funds and Resort Tax Fund Budgets, appropriating funds to cover prior year encumbrances, and amend certain department budgets.

Adopt the resolution amending the FY 2010/11 General Fund Budget, setting aside a reserve for the FY 2011/12 budget.

GENERAL FUND ANALYSIS

The year-end budget to preliminary actual comparisons are presented in the following pages.

These comparisons show that, overall, there is an operating budget surplus of \$1,600,570 (0.7%) in the General Fund. A summary of the preliminary General Fund Revenues and Expenditures as of September 30, 2010 is as follows:

| General Fund | Budget FY 2009/10 | Preliminary Actual FY 2009/10 | Budget/ Actual Over/ (Under) |
|---------------------------|----------------------|-------------------------------------|---------------------------------|
| Revenues* | \$ 226,336,026 | \$ 224,778,803 | \$ (1,557,223) |
| Expenditures | 226,336,026 | 223,178,233 | (3,157,793) |
| Surplus/ (Deficit) | \$ 0 | \$ 1,600,570 | \$ 1,600,570 |

Note: * Excludes \$1.95 million in Unrealized Losses on Investments

This surplus reflects the impact of on-going pro-active initiatives by the City to reduce expenses below the operating budget given the impact of the economy on the City's budget in recent years and given the continuing challenges anticipated, at least in the short-term. These initiatives included the continuation of a modified hiring freeze, delayed hiring of other positions, re-bidding of contracts where appropriate to take advantage of the more competitive economic environment, close scrutiny of major purchases, and continuous evaluation of opportunities to reduce costs in all departments.

It is important to note that this surplus is despite the fact that the City did not realize much of the \$3.5 million in employee give backs anticipated for FY 2009/10 in the General Fund based on an assumption of a freeze in merit or steps (\$1.4 million), an additional 2% pension contribution for all employees for the entire year (\$2.055 million). In employee givebacks, it is estimated that the freezes in merits for non-bargaining employees and those in the Government Supervisors Association (GSA) Unions which was implemented October 1, 2009 and for the American Federation of State, County and Municipal Service Employees implemented mid fiscal year, resulted in savings of approximately \$800,000. Although assumed, no step savings were achieved for the Fraternal Order of Police (FOP) or for the International Association of Fire Fighters (IAFF). However, the City did achieve approximately \$430,000 in savings from these two unions during FY 2009/10 through additional employee contributions to health insurance which became effective July, 2010. Savings from the additional pension contributions by non-bargaining, GSA and AFSCME employees, while generating approximately \$500,000, will accrue to future pension payments, rather than to FY 2009/10 as previously assumed. No savings were achieved during FY 2009/10 for the Communications Workers of America (CWA) employees. Had the full \$3.5 million in savings been achieved as assumed rather than only the \$800,000 in merit savings from non-bargaining, GSA and AFSCME employees and the \$430,000 in health insurance savings from FOP and IAFF employees, the year-end surplus would have been closer to \$3.8 million.

However, the City's financials will also reflect approximately \$1.95 million in "Unrealized Losses on Investments" which have a non-cash impact for FY 2009/10. Governmental Accounting Standards Board Statement #31 (GASB 31), requires the City to report its investments at fair market value as if they were immediately liquidated on September 30 each year, and to recognize these as "unrealized gains or losses in investments", although the actual cash impact is not felt until future years. By comparison, in the prior fiscal year, the City had a gain of \$2.3 million. Although this is a non-cash impact, it will still reflect on the financials as a loss for FY 2009/10, if not addressed, potentially creating concerns with credit rating agencies, etc. Therefore, I am recommending the transfer of an additional \$1.95 million from the 2% Resort Tax Fund which has revenues in excess of budget by approximately \$3.8 million, as explained further in the resort tax section below.

A component of the projected year-end revenues is, once again, due to Building permit revenues in excess of budget (Licenses and Permits) by \$1.76 million, in part due to the ongoing review of permits at closeout (\$1 million). As stated in prior quarterly reports, these additional revenues are partially offset by additional expenses in the Building Department as a result of increased elevator inspections to eliminate past due inspections, as well as the continuation of process improvement initiatives being implemented.

The City has performed its annual analysis of building permit fee revenues and Building Department expenses. Pursuant to Florida Statutes, it is required that unexpended building fee revenue be carried forward to future years to fund allowable activities in enforcing the Florida Building Code. The analysis as of September 30, 2009 showed a carryforward balance of approximately \$12.5 million, of which \$6.2 million had been set-aside in a Building Operations Reserve, and the balance intended to be paid down over future years.

The FY 2009/10 budget assumed \$7.7 million in Building revenues and \$10.1 million in expenses (included indirect costs related to support provided by administrative departments and the Building Department's share of the City's liability for "Other Post Employment Benefits"). This resulted in a budgeted subsidy of \$2.4 million from other General Fund revenues to the Building Department. This subsidy would have reduced the amount to be paid to the Building Department in future years. The analysis as of September 30, 2010 reflects \$9.4 million in Building revenues and \$10.8 million in expenses, reducing the "subsidy" to \$1.4 million.

| Building Department | Budget FY 2009/10 | Preliminary Actual FY 2009/10 | Budget/ Actual Over/ (Under) |
|--|------------------------------|--|---|
| Revenues | \$ 7,687,750 | \$ 9,443,040 | \$ 1,755,290 |
| Department Expenditures | 8,601,507 | 9,273,619 | \$ 672,112 |
| Other Expenditures | 1,493,612 | 1,578,808 | 85,196 |
| Surplus/ (Deficit) | \$ (2,407,369) | \$ (1,409,387) | \$ 997,982 |
| Interest on Funds "Owed" | \$ 339,120 | \$ 291,534 | |
| Change from Prior Year in Amount "Owed" | \$ (2,068,249) | \$ (1,117,853) | |

As a result, the carryforward balance is approximately \$11.4 million, of which the City has already funded \$6.2 million in prior years, leaving a remaining balance of \$5.2 million to be repaid in future years, a decrease of \$1.1 million from the prior year.

The City's financial policies adopted pursuant to Resolution 2006-26341 and Resolution 2002-24764 require that ***one time revenues (such as the year-end surplus) must be used for non-recurring expenses***, and that ***at least half of the annual year-end surplus must be allocated to the City's Capital Reserve Fund***. However, the City's Capital Reserve was established in FY 2005/06 at a time when the industry was at a peak, and project bids were often coming in significantly higher than budgeted. The market for the last couple of years, however, has been very different, with construction bids being received significantly under projects budgets, and at the same time, the Capital Reserve has accumulated approximately \$12 million in funding. Therefore, I am recommending that the Capital Reserve transfer requirement again be waived for the FY 2009/10 year-end surplus similar to what was done last year.

Further, as in FY 2008/09, no use of the General Fund is recommended to address the City's FY 2009/10 accrued liability for post employment benefits (primarily health insurance) pursuant to recently enacted reporting requirements of Governmental Accounting Standards Board #44 (GASB 45).

The FY 2010/11 Adopted Budget was the most challenging in recent years, with a budget gap of approximately \$30 million, and following 3 prior years of reduced revenues and cuts. Overall the City's budget has absorbed reductions of approximately \$48 million and 260 positions over 4 years. The employee "give-backs" totaled approximately \$12 million in savings in FY 2010/11 and almost \$15 million between FY 2009/10 and FY 2010/11, representing **more than \$60 million in combined "givebacks" and reductions over 4 years.**

However, in order to address such a significant gap, the FY 2010/11 budget also included the use of \$3.7 million in FY 2008/09 surplus previously set aside to address the significant shortfall anticipated for FY 2010/11. Since the FY 2008/09 revenue is a one-time revenue, it will not be available for FY 2011/12, thereby, immediately creating a gap that will need to be addressed in FY 2011/12. Other potential impacts to the FY 2011/12 budget include the possibility of further declines in property taxes (for example, a 5% decline represents \$7.5 million); and potential pension increases as poor investment experience from FY 2007/08 and FY 2008/09 continue to be recognized (although these may be somewhat mitigated by recent changes to the pension plans and investment gains in FY 2009/10). For this reason, I am once again recommending that the General Fund budget be amended to set aside the \$1.6 million in a reserve for possible use to address potential shortfalls in the FY 2011/12 budget.

Also, accompanying this agenda item is a separate resolution amending the FY 2010/11 budget to set aside the \$1.95 million. As explained above, the \$1.95 million in additional 2% Resort Tax transfers to address "Unrealized Losses on Investments" is required so as not to show a loss on the financials for FY 2009/10. However, since the "Unrealized Losses on Investments" is a non-cash impact, it will result in additional cash in the General Fund. As a result, I am also recommending an amendment to the FY 2010/11 budget setting aside the \$1.95 million as a reserve for possible use to address potential shortfalls in the FY 2011/12 budget.

GENERAL FUND OPERATING REVENUE AND EXPENDITURE VARIANCES

For a detail of General Fund Revenues by category and Expenditures by Department, see attached schedule. Detailed comments on those revenue and expenditure categories with significant variances over \$300,000 are shown in the following section.

Revenues

1. **Ad Valorem Property Taxes** – Year-end collections of \$102,163,437 are 1.6% under budget, creating a net shortfall of \$1,645,846. This is primarily due to higher than anticipated property value appeals approved by Miami-Dade County as well as delays in processing those appeals.
2. **Other Taxes** - This category includes franchise and utility taxes on services. Based on actual collections of \$24,761,159, an excess of \$0.720 million or 3% resulted at year-end. This is primarily due to an increase in revenues from electric and telephone utility taxes.
3. **Licenses and Permits** - This category is comprised of licenses and building and

special use permits. In total, the actual collections for Licenses and Permits exceeded budget by \$1,411,438, or 9.7%. Of this amount, over \$400,000 was due to increased collections from Business Tax Receipts, primarily due to increased enforcement of businesses who had not paid their tax. An additional \$1.3 million is due to Building Department revenues in excess of budget of which \$1.0 million is due to the ongoing review of permits at closeout. However, the General Fund budget had also assumed an increase of \$1.5 million in revenues outside of the Building Department due to the implementation of the new fee structure for Building Development Process Fees. The fee restructure was approved in January 2010 and became effective on February 1, 2010, thereby reflecting 8 months under the new fee structure instead of the 12 months budgeted, and projects that were initiated under the old process will continue to be in effect for some time. In addition, building permit demand has decreased from prior years. While improved from projections during the year, the actual revenues reflect a slight decrease from budget in the revenues from General Fund fees related to the Building Development Process.

4. **Charges for Services – Non Golf Course Revenues** - Year-end collections are above budget by 17.5% or \$0.7 million. This is due to recently implemented increases in rescue transport fees.
5. **Charges for Services – Golf Course Revenues** Year-end collections are below budget by 9% or \$0.54 million. This is mainly due to lower than expected revenues which reflect the decline in visitor and group business for the Miami Beach and the Normandy Shores Golf Clubs as well as an unusually cold and rainy winter. However, this amount is offset by similar savings in golf course expenditures.
6. **Fines and Forfeits** - Year-end collections are below budget by 14% or \$0.4 million. This is mainly due to lower than budgeted fines from red light cameras.
7. **Interest** - Year-end collections are below budget by 31% or \$1.66 million. This is mainly due to reduced investment returns from long term investment vehicles that matured in the current fiscal year and are reinvested at prevailing interest rates which are much lower in this investment climate.
8. **Miscellaneous** – This category includes concessions, planning fees, and other reimbursements. Year-end revenues are 1% below budget or by \$0.5 million. This is due primarily to lower than anticipated revenues as a result of savings in the CIP Department and therefore lower cost allocations to capital improvement projects.

Operating Expenditures

1. Building

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|-------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$8,601,507 | \$9,273,619 | \$672,112 |

As outlined in prior quarterly projections, in addition to the impacts from unbudgeted FY 2009/10 merits and steps for the entire fiscal year for CWA employees, and approximately \$115,000 from the 2% pension contribution impact, the Building Department exceeded its budget primarily in professional fees, legal fees, and operating capital. Professional services charges increased primarily due to increased elevator inspections, legal fees were related to building closures, and capital costs were related to the ongoing space reconfiguration initiative as recommendations by Watson Rice as part of their performance and organizational review of the Building Department between 2008 and 2009. The space configuration project included reconfiguration for electronic plan review on the second floor, records management, and reconfiguration of the lobby to be more customer- friendly. Building Department revenues (permits and code violations) in excess of budget (\$1.76 million) are more than sufficient to offset these additional expenditures.

2. Parks & Recreation – Golf Courses

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|-------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$6,295,105 | \$5,818,869 | (\$ 476,236) |

Approximately \$476,236 (8% of budget) in expenditures savings at the City's golf courses occurred as a result of several cost savings measures introduced in response to reduced demand and corresponding reduced revenues at the golf courses.

3. Parks & Recreation - Other

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|--------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$22,764,119 | \$21,431,567 | (\$1,332,552) |

Despite the impacts from unbudgeted FY 2009/10 merits and steps projected through year-end, and approximately \$205,000 from the 2% pension contribution impact, approximately \$1.3 million in savings (6% of budget) was achieved in the Parks and Recreation Department from the rebidding and continued management of contracted landscaping cycles, as well as salary savings and savings across multiple operating accounts in the Recreation division.

4. Fire

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|--------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$50,900,788 | \$51,888,672 | \$ 987,884 |

The Fire Department overspent its budget by almost \$1 million (2% of budget), of which \$530,000 is estimated to be from the unrealized 2% pension contribution impact, \$520,000 from overtime above budgeted levels, and step increases throughout the year that were not budgeted. These increases were offset by approximately \$200,000 in increased employee health insurance contributions, thereby decreasing the City's required contribution.

5. Police

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|--------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$81,127,849 | \$81,686,854 | \$ 559,005 |

The Police Department overspent its budget by approximately \$0.6 million (0.7% of budget), less than the \$740,000 estimated impact from the unrealized 2% pension contribution and the impact of step increases throughout the year that were not budgeted. These were offset by approximately \$230,000 in increased employee health insurance contributions, thereby decreasing the City's required contribution.

6. Citywide Accounts

| Budget | Prelim. Actual | Budget/Prelim. Actual |
|--------------|----------------|-----------------------|
| FY 2009/10 | Sept. 30, 2010 | Over/(Under) |
| \$15,033,176 | \$12,469,598 | (\$2,563,578) |

Approximately \$2.5 million in savings (17% of budget) was achieved in Citywide accounts, primarily due to lower than anticipated overtime usage during the Super Bowl and Pro Bowl resulting in savings of \$370,000, and unspent contingency of \$1.3 million. Accumulated leave payouts are also lower than budget by \$200,000 and property management charges for bus bench maintenance were reduced by almost \$185,000.

GENERAL FUND BUDGET AMENDMENT

Although the total General Fund expenditure is below budget, Florida Statutes require that the actual expenditures not exceed budget at the level at which the budget is adopted, which in Miami Beach is at the Department level. Therefore a budget amendment is required for departments that overspent their appropriation and to allow the transfer to the Set Aside Reserve for FY 2011/12. A summary of the resulting increases and decreases to revenues and expenditures and the resulting proposed amended budget for FY 2009/10 is provided below and on the following pages.

| GENERAL FUND | FY 2009/10 Adopted Budget | Changes in Rev/Exp Appropriation | Rec. Additional Appropriation | FY 2009/10 Amended Budget |
|---|------------------------------|--|----------------------------------|------------------------------|
| REVENUES | | | | |
| OPERATING REVENUES | | | | |
| Property Tax (5.5472) | \$ 103,809,283 | \$ (1,645,846) | \$ 0 | \$ 102,163,437 |
| Property Tax (5.5472)-So Pt Costs | 9,896,609 | 0 | 0 | 9,896,609 |
| Property Tax (0.1083)-Capital R & R | 2,026,707 | 0 | 0 | 2,026,707 |
| Property Tax - Norm Shores (0.8567) | 95,795 | 0 | 0 | 95,795 |
| Other Taxes | 24,040,704 | 720,455 | 0 | 24,761,159 |
| Licenses and Permits | 14,526,875 | 1,411,438 | 0 | 15,938,313 |
| Intergovernmental | 9,172,470 | 180,447 | 0 | 9,352,917 |
| Charges for Services incl. Golf Courses | 9,693,288 | 151,312 | 0 | 9,844,600 |
| Fines and Forfeits | 3,182,000 | (436,806) | 0 | 2,745,194 |
| Interest | 5,336,000 | (1,658,418) | 0 | 3,677,582 |
| Unrealized Gains/(Loss) - Investments | 0 | (1,950,550) | 0 | (1,950,550) |
| Rents and Leases | 4,578,161 | 234,845 | 0 | 4,813,006 |
| Miscellaneous | 8,590,050 | (514,650) | 0 | 8,075,400 |
| Other - Resort Tax | 22,465,440 | 0 | 1,950,550 | 24,415,990 |
| Reserves - Buildig Department Revenues | 1,546,709 | 0 | 0 | 1,546,709 |
| Other - Non-Operating | 7,375,935 | 0 | 0 | 7,375,935 |
| Total General Fund | \$ 226,336,026 | \$ (3,507,773) | \$ 1,950,550 | \$ 224,778,803 |
| Total Net of Unrealized Gains/(Loss) | \$ 226,336,026 | \$ (1,557,223) | \$ 1,950,550 | \$ 226,729,353 |

| GENERAL FUND | FY 2009/10 Adopted Budget | Changes in Rev/Exp Appropriation | Rec. Additional Appropriation | FY 2009/10 Amended Budget |
|--------------------------------------|---------------------------------|--|----------------------------------|---------------------------------|
| APPROPRIATIONS | | | | |
| Department | | | | |
| MAYOR & COMMISSION | 1,478,523 | (38,701) | \$ 0 | \$ 1,439,822 |
| CITY MANAGER | 2,293,523 | (28,928) | 0 | 2,264,595 |
| Communications | 914,249 | (49,264) | 0 | 864,985 |
| BUDGET & PERFORMANCE IMPROVE | 1,993,560 | (12,063) | 0 | 1,981,497 |
| FINANCE | 4,416,396 | 25,516 | 0 | 4,441,912 |
| Procurement | 901,633 | 6,038 | 0 | 907,671 |
| HUMAN RESOURCES/LABOR RELATIONS | 1,764,137 | (65,818) | 0 | 1,698,319 |
| CITY CLERK | 1,567,479 | (75,382) | 0 | 1,492,097 |
| CITY ATTORNEY | 4,227,546 | (115,244) | 0 | 4,112,302 |
| REAL ESTATE, HOUSING & COMM DEVEL | 860,446 | 1,997 | 0 | 862,443 |
| Community Services | 410,332 | (1,005) | 0 | 409,327 |
| Homeless Services | 673,763 | (123,456) | 0 | 550,307 |
| BUILDING | 8,601,507 | 672,112 | 0 | 9,273,619 |
| Code Compliance | 4,094,956 | 116,166 | 0 | 4,211,122 |
| PLANNING | 2,983,728 | (95,645) | 0 | 2,888,083 |
| TOURISM & CULTURAL DEVELOPMENT | 2,644,076 | (1,204) | 0 | 2,642,872 |
| PARKS & RECREATION incl Golf Courses | 29,059,224 | (1,808,788) | 0 | 27,250,436 |
| PUBLIC WORKS | 6,545,304 | (292,665) | 0 | 6,252,639 |
| CAPITAL IMPROVEMENT PROJECTS | 3,843,831 | (254,770) | 0 | 3,589,061 |
| POLICE | 81,127,849 | 559,005 | 0 | 81,686,854 |
| FIRE | 50,900,788 | 987,884 | 0 | 51,888,672 |
| Citywide Accounts-Other | 11,677,092 | (2,390,809) | 0 | 9,286,283 |
| Citywide Accounts-Normandy Shores | 147,377 | 0 | 0 | 147,377 |
| Sub Total General Fund | \$ 223,127,319 | \$ (2,985,024) | \$ 0 | \$ 220,142,295 |

| GENERAL FUND | FY 2009/10 Adopted Budget | Changes in Rev/Exp Appropriation | Rec. Additional Appropriation | FY 2008/10 Amended Budget |
|------------------------------------|---------------------------------|--|----------------------------------|------------------------------|
| Transfers | | | | |
| Capital Reserve Fund | \$ - | \$ 0 | \$ 0 | \$ 0 |
| Pay-As-You-Go Capital Fund | 0 | | | 0 |
| Capital Investment Upkeep Account | 382,000 | (172,769) | | 209,231 |
| Info & Comm Technology Fund | 800,000 | | | 800,000 |
| Reserve Future Building Dept Needs | 0 | | | 0 |
| Reserve - Future Budget Shortfalls | 0 | | 1,600,570 | 1,600,570 |
| GASB 45 Reserve-OPEB | 0 | | | 0 |
| CAPITAL RENEWAL & REPLACEMENT | 2,026,707 | 0 | | 2,026,707 |
| Sub Total Transfers | \$ 3,208,707 | \$ (172,769) | \$ 1,600,570 | \$ 4,636,508 |
| Total General Fund | \$ 226,336,026 | \$ (3,157,793) | \$ 1,600,570 | \$ 224,778,803 |

ENTERPRISE FUNDS

The City accounts for proprietary operations in Enterprise Funds. Convention Center, Parking, Sanitation, Sewer, Stormwater, and Water are included in this grouping. No amendments are anticipated for the Sanitation and Parking Funds. Amendments are needed for the Water, Sewer and Stormwater funds simply to allow the transfer of surplus revenues to rate stabilizations funds so that they can be available for future years. The FY 2010/11 adopted budget anticipated the transfer of these funds so that the net revenues at FY 2010/11 year-end will be sufficient to exceed the bond coverage requirements. Were these funds not available from the FY 2009/10 surplus, sewer, stormwater and water rate increases would have been needed in FY 2010/11 to meet debt coverage requirements.

ENTERPRISE FUNDS

| | | Sewer | | Stormwater | | Water |
|------------------------------------|-----------|------------------|-----------|-------------------|-----------|------------------|
| Revenue Appropriation | | | | | | |
| Charges for Service | \$ | 1,796,420 | \$ | 73,334 | \$ | 3,155,973 |
| Prior Year Rate Stabilization Fund | | - | | 3,558,172 | | - |
| Other | | 2,272,202 | | (88,558) | | (1,327,904) |
| Total Revenue Increase | \$ | 4,068,622 | \$ | 3,542,948 | \$ | 1,828,069 |
| Expenditure Appropriation | | | | | | |
| Payroll and Fringes | \$ | (10,855) | \$ | (147,465) | \$ | 218,463 |
| Operating Costs | | (1,232,616) | | (318,608) | | (993,971) |
| Sewer Treatment | | (1,789,758) | | - | | - |
| Water Purchase | | | | | | 435,664 |
| DERM Fee | | (17,113) | | - | | 47,742 |
| Depreciation | | 483,144 | | (78,516) | | 520,945 |
| Debt Service | | (210,588) | | (1,470,433) | | (286,905) |
| Rate Stabilization | | 6,764,332 | | 5,312,986 | | 1,890,766 |
| Capital | | 82,076 | | 244,984 | | (4,635) |
| Total Expenditure Increase | \$ | 4,068,622 | \$ | 3,542,948 | \$ | 1,828,069 |

As in prior years, we do not have preliminary numbers for the Convention Center Fund at this time.

INTERNAL SERVICE FUNDS

The City accounts for those goods and services provided by one department to other departments citywide on a cost reimbursement basis. Central Services, Fleet Management, Information Technology, Property Management, and Risk Management (Self Insurance) are included in this grouping.

Despite absorbing unbudgeted merit increases and not realizing the additional 2% pension contribution for CWA employees, the Risk Management, Property Management and Fleet Management Funds are anticipated to be under budget. Further, it is important to note that the Risk Management Fund reflects a surplus of FY 2009/10 revenues over expenditures of over \$3 million as a result of revised actuarial liability estimates, thereby helping to reduce the prior year deficit in the fund for Incurred But Not Reported claims. However, it is necessary to amend the appropriations for the Central Services and Information Technology Funds which our preliminary year-end expenditures indicate will exceed their budget appropriation.

The Central Services Fund exceeded its budget by \$19,254 or 2.3% primarily due to higher than anticipated postage usage and a higher contribution to the OPEB Trust than the prior year. However, the increased operating expenditures are offset by increased interdepartmental charges.

The Information Technology Fund exceeded its budget by \$589,901 or 4.2% primarily due to a higher contribution to the OPEB Trust than the prior year and prior year-encumbrances for capital. However, the increased operating expenditures are offset by retained earnings set aside from FY 2008/09 for those prior year encumbrances for capital as well as other revenues.

INTERNAL SERVICE FUNDS

| | CENTRAL SERVICES | INFORMATION TECHNOLOGY |
|-----------------------------------|-----------------------------|-----------------------------------|
| Revenue Appropriation | | |
| Interdepartmental Revenues | \$ 19,254 | \$ (28,117) |
| Other | | 164,848 |
| Retained Earnings - Capital | | 453,170 |
| Total Revenue Increase | \$ 19,254 | \$ 589,901 |
| Expenditure Appropriation | | |
| Payroll and Fringes | \$ 11,447 | 218,295 |
| Operating Costs | 5,820 | (81,564) |
| Depreciation | 1,987 | - |
| Capital | - | 453,170 |
| Total Expenditure Increase | \$ 19,254 | \$ 589,901 |

RESORT TAX FUND

The City's Resort tax Fund is primarily supported by resort taxes collected pursuant to Chapter 67-930 (Section 6) of the Laws of Florida, as amended, and Section 5.03 of the City of Miami Beach Charter, as amended. This legislation authorizes the use of resort taxes for the promotion of the tourist industry, which includes, but is not restricted to the following: Publicity, advertising, news bureau, promotional events, convention bureau activities, capital improvements and the maintenance of all physical assets in connection therewith; and for the payment of the reasonable and necessary expenses of collecting, handling and processing of said tax.

Typically, the City has considered the following services as "Services related to the promotion of tourism":

- Police officers serving entertainment areas
- A portion of Fire-rescue services from Fire Stations 1&2
- Ocean rescue Services
- Sidewalk pressure cleaning in south, middle and north beach visitor areas
- South Beach sanitation
- Enhanced code compliance provided to respond to evening entertainment area violations and staffing of special events
- Other code compliance activities in tourism and visitor related facilities/areas
- Tourism and Culture Department and the Cultural Arts Council
- Museums and Theatres (Garden Center, Bass Museum, Colony and Byron Carlyle Theatres)
- Golf courses (net of revenues)
- Memorial Day and other special event costs
- Homeless services
- July 4th, Visitor Center funding, Holiday Lights, Festival of the Arts, Jewish Museum, MDPL, Orange Bowl, Monuments, etc.

These allowable uses have led to increased tourist activities, such as special events, Art Basel, and various concerts.

The 2% Resort Tax Fund operating revenues are in excess of budget by approximately \$3.8 million and, as a result certain expenditures which are based on a percent of revenues are projected to exceed budget.

Further, as outlined to the Commission in LTC #231-2010 dated August, 2010, the City was required to make a mandatory payment of the remaining principal balance of the Sunshine State Loan in the amount of \$2.93 million in September, 2010. This repayment was paid from the Resort Tax Fund. In addition to current year budgeted payments, an additional \$2.29 million in retained earnings was used for the repayment and a budget amendment is required to reflect this additional amount.

In addition, as part of the ongoing clean-up of accounts in the City, the following Service and Special Improvement Districts, previously funded by Resort Tax Funds, have deficits of \$735,553 going back many years which were never funded and research shows that they should have been funded by Resort Taxes at that time.

- Lincoln Road Management District
- Washington Avenue Special Improvement District
- South Beach Hotel Management District
- Ocean Drive Special Improvement District
- 41 Street Business District

I am therefore recommending that Resort Tax retained earnings be used to fund those amounts at this time, along with the additional \$1.95 million transfer to the General Fund discussed earlier in this memorandum funded from the 2% Resort Tax revenues in excess of budget.

In addition to the uses listed above, the proceeds of the additional one percent (1%) tax are used as follows. Fifty percent of the amount earned is committed to the payment of a portion of the debt service on the Miami Beach Redevelopment Agency City Center/ Bonds. The remaining fifty percent is allocated equally among North Beach, Middle Beach, and South Beach for capital projects that enhance Miami Beach's tourist related areas and various arts and cultural programs. Revenues from the additional one percent that exceed budget are automatically allocated to these categories, although unspent.

The resulting recommended changes are summarized below.

RESORT TAX FUND

Additional Revenue Appropriation

| | |
|-------------------------------|----------------------------|
| 2% Resort Tax | \$ 2,138,287 |
| Retained Earnings | <u>3,034,963</u> |
| Total Revenue Increase | <u>\$ 5,173,250</u> |

Additional Expenditure Appropriation

| | |
|---|----------------------------|
| General Fund Contribution | \$ 1,950,550 |
| Other Operating/Other Uses | 187,737 |
| Transfer to Service and Special Improvement Districts Funds | 735,553 |
| Debt Service | <u>2,299,410</u> |
| Total Expenditure Increase | <u>\$ 5,173,250</u> |

CONCLUSION

It should be noted that this actual is preliminary in nature due to the fact that the City's financial records will not be closed until after the external auditors complete their review. Historically, this occurs in April, with the City's Comprehensive Annual Financial Report (CAFR) For the Year Ended September 30, 2010, usually available in May. However, this analysis has considered all year-end entries to date and, typically, any additional changes are minor in nature.

The attached resolution will allow the first amendment to the departmental appropriations within the General Fund, Enterprise Funds, Internal Service Funds and Resort Tax Fund budgets to be enacted. This action is necessary to comply with Florida Statutes which stipulate that we may not expend more than our appropriations provide.

JMG/KGB/JC

ATTACHMENT A

FY 2009/10 General Fund Operating Summary

| | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim-Adptd Over/(Under) |
|--|-----------------------|----------------------------------|--|------------------------------|
| REVENUES | | | | |
| Ad Valorem Taxes | \$ 103,809,283 | \$ 102,298,560 | \$ 102,163,437 | \$ (1,645,846) |
| Ad Valorem Taxes-\$ Pte Costs | 9,896,609 | 9,896,609 | 9,896,609 | 0 |
| Ad Valorem Cap.Renewal & Replace. | 2,026,707 | 2,026,707 | 2,026,707 | 0 |
| Ad Valorem Taxes-Norm Shores | 95,795 | 95,795 | 95,795 | 0 |
| Other Taxes | 24,040,704 | 24,936,810 | 24,761,159 | 720,455 |
| Licenses and Permits | 14,526,875 | 16,315,806 | 15,938,313 | 1,411,438 |
| Intergovernmental | 9,172,470 | 9,428,100 | 9,352,917 | 180,447 |
| Charges for Services | 3,961,750 | 4,624,513 | 4,657,540 | 695,790 |
| Golf Courses | 5,731,538 | 5,201,538 | 5,187,060 | (544,478) |
| Fines and Forfeits | 3,182,000 | 2,511,209 | 2,745,194 | (436,806) |
| Interest | 5,336,000 | 4,554,000 | 3,677,582 | (1,658,418) |
| Unrealized Gains/(Loss)-Investment | 0 | 0 | (1,950,550) | (1,950,550) |
| Rents and Leases | 4,578,161 | 4,869,915 | 4,813,006 | 234,845 |
| Miscellaneous | 8,590,050 | 8,281,504 | 8,075,400 | (514,650) |
| Other - Resort Tax contribution | 22,465,440 | 22,465,440 | 22,465,440 | 0 |
| Other - Non Operating revenues | 7,375,935 | 7,375,935 | 7,375,935 | 0 |
| Reserve-Building Department Ops. | 1,546,709 | 1,546,709 | 1,546,709 | 0 |
| Fund Balance | 0 | 0 | 0 | 0 |
| Sub Total | \$ 226,336,026 | \$ 226,429,150 | \$ 222,828,253 | \$ (3,507,773) |
| Total Net of Unrealized Gains/(Loss) | \$ 226,336,026 | \$ 226,429,150 | \$ 224,778,803 | \$ (1,557,223) |
| EXPENDITURES | | | | |
| Mayor and Commission | \$ 1,478,523 | \$ 1,452,615 | \$ 1,439,822 | \$ (38,701) |
| City Manager | 2,293,523 | 2,288,383 | 2,264,595 | (28,928) |
| Communications | 914,249 | 880,954 | 864,985 | (49,264) |
| City Clerk | 1,567,479 | 1,531,045 | 1,492,097 | (75,382) |
| Finance | 4,416,396 | 4,440,929 | 4,441,912 | 25,516 |
| Office of Budget & Perf Improvement | 1,993,560 | 1,973,703 | 1,981,497 | (12,063) |
| Human Resources/Labor Relations | 1,764,137 | 1,732,414 | 1,698,319 | (65,818) |
| Procurement | 901,633 | 917,349 | 907,671 | 6,038 |
| City Attorney | 4,227,546 | 4,123,789 | 4,112,302 | (115,244) |
| Real Estate, Housing & Comm Dev | 860,446 | 824,226 | 862,443 | 1,997 |
| Community Services | 410,332 | 417,971 | 409,327 | (1,005) |
| Homeless Services | 673,763 | 692,748 | 550,307 | (123,456) |
| Building | 8,601,507 | 9,453,586 | 9,273,619 | 672,112 |
| Planning | 2,983,728 | 2,939,765 | 2,888,083 | (95,645) |
| Tourism & Cultural Development | 2,644,076 | 2,602,392 | 2,642,872 | (1,204) |
| Code Compliance | 4,094,956 | 4,157,106 | 4,211,122 | 116,166 |
| Parks and Recreation | 22,764,119 | 21,775,232 | 21,431,567 | (1,332,552) |
| Golf Courses | 6,295,105 | 5,723,731 | 5,818,869 | (476,236) |
| Public Works | 6,545,304 | 6,443,313 | 6,252,639 | (292,665) |
| Capital Improvement Program | 3,843,831 | 3,584,626 | 3,589,061 | (254,770) |
| Fire | 50,900,788 | 52,441,908 | 51,888,672 | 987,884 |
| Police | 81,127,849 | 82,424,797 | 81,686,854 | 559,005 |
| Citywide Accounts | 10,601,432 | 9,923,750 | 9,286,283 | (1,315,149) |
| Citywide Acc-Operating Contingency | 1,075,660 | 1,075,660 | 0 | (1,075,660) |
| Citywide Accounts-Normandy Shore | 147,377 | 147,377 | 147,377 | 0 |
| Citywide Accounts-Transfers | 1,182,000 | 1,182,000 | 1,009,231 | (172,769) |
| Capital Renewal & Replacement | 2,026,707 | 2,026,707 | 2,026,707 | 0 |
| CWA/FOP/IAFF/AFSCME Steps/Merits | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | \$ 226,336,026 | \$ 227,178,076 | \$ 223,178,233 | \$ (3,157,793) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES | \$ 0 | \$ (748,926) | \$ 1,600,570 | \$ 1,600,570 |

ATTACHMENT B

FY 2009/10 Enterprise Funds Summary

| PARKING | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-------------------------------|--|--|--|
| REVENUES | | | | |
| CHARGES FOR SERVICES | | | | |
| Meters | \$ 16,650,924 | \$ 18,908,802 | \$ 18,800,837 | \$ 2,149,913 |
| Parking Citations | 3,030,000 | 3,500,000 | 3,534,813 | 504,813 |
| Attended Parking | 831,000 | 169,384 | 169,268 | (661,732) |
| Permits | 758,000 | 990,466 | 847,754 | 89,754 |
| Preferred Lot | 1,500,000 | 1,367,005 | 1,338,492 | (161,508) |
| Garages | 6,489,754 | 6,164,923 | 5,981,334 | (508,420) |
| Space Rental | 250,000 | 172,739 | 173,495 | (76,505) |
| Valet | 503,000 | 829,881 | 818,225 | 315,225 |
| Towing Fees | 217,000 | 240,157 | 356,500 | 139,500 |
| Subtotal | \$ 30,229,678 | \$ 32,343,357 | \$ 32,020,718 | \$ 1,791,040 |
| OTHER | | | | |
| Interest Earnings | \$ 1,040,000 | \$ 489,065 | \$ 691,551 | (\$348,449) |
| Retained Earnings | 0 | 0 | 0 | 0 |
| Miscellaneous | 68,100 | 69,961 | 298,257 | 230,157 |
| Subtotal | \$ 1,108,100 | \$ 559,026 | \$ 989,808 | (\$118,292) |
| TOTAL REVENUES | \$ 31,337,778 | \$ 32,902,383 | \$ 33,010,526 | \$ 1,672,748 |
| EXPENSES | | | | |
| Payroll & Fringes | \$ 9,459,971 | \$ 9,033,829 | \$ 9,409,071 | \$ (50,900) |
| Operating | 13,683,660 | 10,012,950 | 11,034,371 | (2,649,289) |
| Management/ROW Fees to GF | 2,758,620 | 2,758,620 | 2,758,620 | 0 |
| Depreciation | 1,202,970 | 1,202,970 | 1,569,702 | 366,732 |
| Debt Service | 2,185,681 | 2,185,681 | 2,161,935 | (23,746) |
| Reserve Future Cap/Debt Svc | 1,922,876 | 1,922,876 | 1,922,876 | 0 |
| Capital | 124,000 | 124,000 | 77,130 | (46,870) |
| TOTAL EXPENSES | \$ 31,337,778 | \$ 27,240,926 | \$ 28,933,705 | \$ (2,404,073) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$ 0 | \$ 5,661,457 | \$ 4,076,821 | \$ 4,076,821 |

FY 2009/10 Enterprise Funds Summary

| SANITATION | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-------------------------------|--|--|--|
| REVENUES | | | | |
| CHARGES FOR SERVICES | | | | |
| Sanitation Fees | \$ 3,513,454 | \$ 3,359,311 | \$ 3,430,047 | \$ (83,407) |
| Franchise Tax-Waste Contractors | 3,294,703 | 3,180,691 | 3,248,028 | (46,675) |
| Franchise Tax-Right of Way | 372,579 | 415,151 | 371,375 | (1,204) |
| Trash Removal | 150,000 | 102,926 | 84,950 | (65,050) |
| Roll Off | 975,000 | 452,389 | 465,945 | (509,055) |
| Impact Fee-Construction | 1,115,500 | 590,207 | 574,842 | (540,658) |
| Impact Fee-Commercial | 725,000 | 662,976 | 670,350 | (54,650) |
| City Center RDA-Reimbursement | 1,958,899 | 2,416,908 | 2,039,221 | 80,322 |
| Amended CDT Interlocal Agreement | 2,619,643 | 2,496,658 | 2,619,643 | 0 |
| Violations/Fines | 100,000 | 72,253 | 70,814 | (29,186) |
| Subtotal | \$ 14,824,778 | \$ 13,749,470 | \$ 13,575,215 | \$ (1,249,563) |
| OTHER | | | | |
| Interest Earnings/Other | \$ 182,455 | \$ 240,613 | \$ 314,607 | \$ 132,152 |
| Retained Earnings-Capital | 394,900 | 284,032 | 326,862 | (68,038) |
| Parking Fund Contribution | 365,170 | 365,170 | 365,170 | 0 |
| Stormwater Fund Contribution | 584,000 | 584,000 | 584,000 | 0 |
| Subtotal | \$ 1,526,525 | \$ 1,473,815 | \$ 1,590,639 | \$ 64,114 |
| TOTAL REVENUES | \$ 16,351,303 | \$ 15,223,285 | \$ 15,165,854 | \$ (1,185,449) |
| EXPENSES | | | | |
| Payroll & Fringes | \$ 9,113,849 | \$ 7,731,443 | \$ 8,095,773 | \$ (1,018,076) |
| Operating | 2,804,276 | 3,386,477 | 3,667,556 | 863,280 |
| Garbage Contracts | 2,589,393 | 2,405,652 | 2,557,071 | (32,322) |
| Management Fees to GF | 877,461 | 877,461 | 877,461 | 0 |
| Depreciation | 335,000 | 335,000 | 304,213 | (30,787) |
| Debt Service - Equip. Loan Program | 236,424 | 236,424 | 236,424 | 0 |
| Capital | 394,900 | 284,032 | 326,862 | (68,038) |
| TOTAL EXPENSES | \$ 16,351,303 | \$ 15,256,489 | \$ 16,065,360 | \$ (285,943) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$ 0 | \$ (33,204) | \$ (899,506) | \$ (899,506) |

FY 2009/10 Enterprise Funds Summary

| SEWER OPERATIONS | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-----------------------|----------------------------------|--|--------------------------------|
| REVENUES | | | | |
| CHARGES FOR SERVICES | | | | |
| Sewer User Fees | \$ 31,268,607 | \$ 31,724,784 | \$ 32,658,806 | \$ 1,390,199 |
| Sewer Connection Fees | 35,000 | 35,000 | 43,254 | 8,254 |
| Sewer Fees-Cities | 2,246,935 | 2,519,101 | 2,644,902 | 397,967 |
| Subtotal | \$ 33,550,542 | \$ 34,278,885 | 35,346,962.00 | \$ 1,796,420 |
| OTHER | | | | |
| Interest Earnings | \$ 337,500 | \$ 441,257 | \$ 440,532 | \$ 103,032 |
| Miscellaneous | 587,500 | 1,701,544 | 759,876 | 172,376 |
| Rate Stabilization Fund | 1,035,857 | 2,950,575 | 2,950,575 | 1,914,718 |
| Retained Earnings | 189,200 | 206,700 | 271,276 | 82,076 |
| Subtotal | \$ 2,150,057 | \$ 5,300,076 | \$ 4,422,259 | \$ 2,272,202 |
| TOTAL REVENUES | \$ 35,700,599 | \$ 39,578,961 | \$ 39,769,221 | \$ 4,068,622 |
| EXPENSES | | | | |
| Payroll & Fringes | \$ 2,617,347 | \$ 2,613,736 | \$ 2,606,492 | \$ (10,855) |
| Operating | 4,324,697 | 4,516,794 | 3,092,081 | (1,232,616) |
| Sewer Treatment | 16,799,686 | 16,132,123 | 15,009,928 | (1,789,758) |
| Management Fees to GF | 1,214,316 | 1,214,316 | 1,214,316 | 0 |
| DERM Fee | 2,304,326 | 2,287,213 | 2,287,213 | (17,113) |
| Depreciation | 1,500,000 | 1,500,000 | 1,983,144 | 483,144 |
| Debt Service | 5,527,493 | 4,963,004 | 5,316,905 | (210,588) |
| Reserve Cap/Debt/Rate Stabilization | 1,223,534 | 6,034,555 | 7,987,866 | 6,764,332 |
| Capital | 189,200 | 317,220 | 271,276 | 82,076 |
| TOTAL EXPENSES | \$ 35,700,599 | \$ 39,578,961 | \$ 39,769,221 | \$ 4,068,622 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$ 0 | (0) | (0) | (0) |

FY 2009/10 Enterprise Funds Summary

| STORMWATER | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-----------------------|----------------------------------|--|--------------------------------|
| REVENUES | | | | |
| Stormwater Fees | \$ 11,139,438 | \$ 11,395,707 | \$ 11,212,772 | \$ 73,334 |
| Interest Earnings | 300,000 | 266,302 | 218,784 | (81,216) |
| Rate Stabilization Fund | 0 | 3,558,172 | 3,558,172 | 3,558,172 |
| Other | 0 | 2,965 | (7,342) | (7,342) |
| TOTAL REVENUES | \$ 11,439,438 | \$ 15,223,146 | \$ 14,982,386 | \$ 3,542,948 |
| EXPENSES | | | | |
| Payroll & Fringes | \$ 1,768,215 | \$ 1,679,084 | \$ 1,620,750 | \$ (147,465) |
| Operating | 1,485,456 | 1,401,535 | 1,166,848 | (318,608) |
| Contribution to Sanitation | 584,000 | 584,000 | 584,000 | 0 |
| Management Fees to GF | 601,906 | 601,906 | 601,906 | 0 |
| Depreciation | 320,000 | 320,000 | 241,484 | (78,516) |
| Debt Service | 4,958,000 | 2,988,145 | 3,487,567 | (1,470,433) |
| Reserve Cap/Debt/Rate Stabilization | 1,717,261 | 7,534,640 | 7,030,247 | 5,312,986 |
| Capital | 4,600 | 113,836 | 249,584 | 244,984 |
| TOTAL EXPENSES | \$ 11,439,438 | \$ 15,223,146 | \$ 14,982,386 | \$ 3,542,948 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

FY 2009/10 Enterprise Funds Summary

| WATER OPERATIONS | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-----------------------|----------------------------------|--|--------------------------------|
| REVENUES | | | | |
| CHARGES FOR SERVICES | | | | |
| Water Sales | \$ 29,093,344 | \$ 30,284,378 | \$ 32,245,921 | \$ 3,152,577 |
| Firelines | 65,000 | 65,000 | 63,495 | (1,505) |
| Water Tapping | 210,000 | 210,000 | 214,901 | 4,901 |
| Subtotal | \$ 29,368,344 | \$ 30,559,378 | \$ 32,524,317 | \$ 3,155,973 |
| OTHER | | | | |
| Interest Earnings | \$ 112,500 | \$ 147,086 | \$ 146,844 | \$ 34,344 |
| Miscellaneous | 557,500 | 1,681,224 | 300,652 | (256,849) |
| Rate Stabilization Fund | 1,100,765 | 0 | 0 | (1,100,765) |
| Retained Earnings-Capital | 554,300 | 361,073 | 549,665 | (4,635) |
| Subtotal | \$ 2,325,065 | \$ 2,189,383 | \$ 997,161 | \$ (1,327,905) |
| TOTAL REVENUES | \$ 31,693,409 | \$ 32,748,761 | \$ 33,521,478 | \$ 1,828,069 |
| EXPENSES | | | | |
| Payroll & Fringes | \$ 4,102,872 | \$ 4,246,033 | \$ 4,321,335 | \$ 218,463 |
| Operating | 3,767,811 | 3,790,849 | 2,773,839 | (993,972) |
| Water Purchase | 13,043,667 | 12,670,300 | 13,479,331 | 435,664 |
| Management Fees to GF | 1,352,724 | 1,352,724 | 1,352,724 | 0 |
| DERM Fee | 2,143,345 | 2,191,087 | 2,191,087 | 47,742 |
| Depreciation | 1,240,000 | 1,240,000 | 1,760,945 | 520,945 |
| Debt Service | 4,230,872 | 3,480,014 | 3,943,967 | (286,905) |
| Reserve Cap/Debt/Rate Stabilization | 1,257,818 | 3,416,681 | 3,148,584 | 1,890,766 |
| Capital | 554,300 | 361,073 | 549,665 | (4,635) |
| TOTAL EXPENSES | \$ 31,693,409 | \$ 32,748,761 | \$ 33,521,478 | \$ 1,828,069 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$ 0 | \$ 0 | \$ (0) | \$ (0) |

ATTACHMENT C

FY 2009/10 Internal Service Funds Summary

| CENTRAL SERVICES | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-------------------------------|--|--|--|
| REVENUES | | | | |
| Inter-departmental Charges | \$825,568 | \$1,013,780 | \$1,007,858 | \$182,290 |
| Interest/Other | 0 | 1,046 | 1,535 | 1,535 |
| Retained Earnings | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | \$825,568 | \$1,014,826 | \$1,009,393 | \$183,825 |
| EXPENSES | | | | |
| Payroll & Fringes | \$345,936 | \$344,304 | \$357,383 | \$11,447 |
| Operating | 475,264 | 508,012 | 481,084 | 5,820 |
| Depreciation | 4,368 | 4,766 | 6,355 | 1,987 |
| Capital | 0 | 0 | 0 | 0 |
| TOTAL EXPENSES | \$825,568 | \$857,082 | \$844,822 | \$19,254 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$0 | \$157,744 | \$164,571 | \$164,571 |

FY 2009/10 Internal Service Funds Summary

| FLEET MANAGEMENT | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-------------------------------|--|--|--|
| REVENUES | | | | |
| Inter-departmental Charges | \$7,534,821 | \$7,534,821 | \$7,310,340 | (\$224,481) |
| Sale of City Property | 160,000 | 160,000 | 115,215 | (44,785) |
| Interest/Other | 202,500 | 143,814 | 209,459 | 6,959 |
| Motor Fuel Tax Refund | 92,000 | 113,600 | 116,493 | 24,493 |
| Retained Earnings | 824,675 | 95,000 | 191,074 | (633,601) |
| TOTAL REVENUES | \$8,813,996 | \$8,047,235 | \$7,942,581 | (\$871,415) |
| EXPENSES | | | | |
| Payroll & Fringes | \$1,745,308 | \$1,731,208 | \$1,753,463 | \$8,155 |
| Operating | 1,887,465 | 2,056,479 | 1,828,978 | (58,487) |
| Fuel | 2,670,000 | 2,478,000 | 2,339,072 | (330,928) |
| Debt Service | 1,686,548 | 1,686,548 | 1,672,841 | (13,707) |
| Capital | 824,675 | 95,000 | 191,074 | (633,601) |
| TOTAL EXPENSES | \$8,813,996 | \$8,047,235 | \$7,785,428 | (\$1,028,568) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$0 | \$0 | \$157,153 | \$157,153 |

FY 2009/10 Internal Service Funds Summary

| INFORMATION TECHNOLOGY | | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|--|-------------------------------|--|--|--|
| REVENUES | | | | | |
| Inter-departmental Charges | | \$12,843,320 | \$12,843,320 | \$12,815,203 | (\$28,117) |
| Other/Interest | | 125,000 | 185,000 | 415,542 | 290,542 |
| Retained Earnings | | 1,085,000 | 440,994 | 1,538,170 | 453,170 |
| TOTAL REVENUES | | \$14,053,320 | \$13,469,314 | \$14,768,915 | \$715,595 |
| EXPENSES | | | | | |
| Payroll & Fringes | | \$4,565,719 | \$4,568,928 | \$4,784,014 | \$218,295 |
| Operating | | 6,143,592 | 5,990,139 | 6,062,028 | (81,564) |
| Depreciation | | 1,569,854 | 1,569,854 | 1,569,854 | 0 |
| Debt Service | | 689,155 | 689,155 | 689,155 | 0 |
| Capital | | 1,085,000 | 440,994 | 1,538,170 | 453,170 |
| TOTAL EXPENSES | | \$14,053,320 | \$13,259,070 | \$14,643,221 | \$589,901 |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | | \$0 | \$210,244 | \$125,694 | \$125,694 |

FY 2009/10 Internal Service Funds Summary

| PROPERTY MANAGEMENT | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-----------------------|----------------------------------|--|--------------------------------|
| REVENUES | | | | |
| Inter-departmental Charges | \$8,270,336 | \$8,115,084 | \$7,964,628 | (\$305,708) |
| Other/Interest | 60,411 | 44,869 | 19,038 | (41,373) |
| Construction Projects | 50,000 | 146,949 | 148,255 | 98,255 |
| Retained Earnings | 33,412 | 109,311 | 49,547 | 16,135 |
| TOTAL REVENUES | \$8,414,159 | \$8,416,213 | \$8,181,468 | (\$232,691) |
| EXPENSES | | | | |
| Payroll & Fringes | \$3,938,899 | \$3,958,007 | \$4,084,180 | \$145,281 |
| Operating | 4,151,148 | 3,958,515 | 3,792,265 | (358,883) |
| Depreciation | 275,000 | 275,000 | 255,476 | (19,524) |
| Capital | 49,112 | 179,822 | 49,547 | 435 |
| TOTAL EXPENSES | \$8,414,159 | \$8,371,344 | \$8,181,468 | (\$232,691) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | \$0 | \$44,869 | \$0 | \$0 |

FY 2009/10 Internal Service Funds Summary

| RISK MANAGEMENT | Adopted FY 2009/10 | FY 2009/10 3rd Qtr Projection | Prelim Actual 09/10 (as of 1/28/11) | Prelim - Adptd Over/(Under) |
|--|-------------------------------|--|--|--|
| REVENUES | | | | |
| Inter-departmental Charges | 16,749,708 | 16,803,386 | 16,829,953 | \$80,245 |
| Other/Interest | 400,000 | 972,741 | 1,044,014 | 644,014 |
| Retained Earnings | 546,000 | 0 | 0 | (546,000) |
| TOTAL REVENUES | \$17,695,708 | \$17,776,127 | \$17,873,967 | \$178,259 |
| EXPENSES | | | | |
| Operating | \$ 903,879 | \$ 870,254 | \$ 866,124 | (\$37,755) |
| Administrative Fees | 567,231 | 567,231 | 567,231 | 0 |
| Non-Operating | 16,224,598 | 16,144,090 | 13,340,704 | (2,883,894) |
| TOTAL EXPENSES | \$17,695,708 | \$17,581,575 | \$14,774,059 | (\$2,921,649) |
| EXCESS OF REVENUES OVER/ (UNDER) EXPENSES | (\$0) | \$194,552 | \$3,099,908 | \$3,099,908 |